

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

ANNUAL COMPLIANCE REVIEW, 2013

Docket No. ACR2013

RESPONSES OF THE UNITED STATES POSTAL SERVICE TO  
QUESTIONS 1-3, 5-6 OF CHAIRMAN'S INFORMATION REQUEST NO. 16

The United States Postal Service hereby provides its responses to the above-listed questions of Chairman's Information Request No. 16, issued on March 21, 2014. Each question is stated verbatim and followed by the response. The response to Question 4 is still being prepared.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Pricing & Product Support

Eric P. Koetting

475 L'Enfant Plaza, S.W.  
Washington, D.C. 20260-1137  
(202) 277-6333  
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1. In the Postal Service's response to CHIR No. 12, questions 6(a) and 6(b), it reports that it is creating a Customer Insights Measurement (CIM).

(a) How will the insights gained from the CIM data substantively differ from the insights gained from the Customer Experience Measurement (CEM)?

(b) In its discussion related to the CIM, the Postal Service reports that the CIM is "based on customer interactions at various touch points, as well as customer inquiries and complaints regarding postal products, services, and corporate initiatives. The Postal Service is developing systems and processes to measure satisfaction of resolution with a target of 90 percent and to reduce repeat customer complaints by 50 percent by 2017." How will program activity (developing systems and processes) related to this effort be measured in FY 2014?

**RESPONSE:**

(a) As explained in response to ChIR 12, Q. 6, the Postal Service's interest in redesigning the program is to measure a customer's event-based experience across multiple channels and touch points. The CEM measures a customer's perception of his or her last experience with the Postal Service, regardless of when that experience took place. Because the CEM survey is not linked to a specific event, the CEM tended to measure a customer's overall relationship with the Postal Service, which included concerns that were not directly tied to customer service, such as pricing, product or service quality, and other general service concerns.

In comparison, the CIM will measure the customer's feedback regarding his or her most recent event with the Postal Service through a short survey tied to the specific experience based on the time, date, and location of the customer's interaction with the Postal Service. This will allow the Postal Service to specifically improve customer service and sales representative performance.

(b) The Postal Service intends to use a CIM score to measure the customer experience.

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With respect to the specific systems and processes identified in the information request, the Postal Service is improving its customer complaint reporting database to ensure that the complaints are resolved quickly. The Postal Service will survey customers that submit complaints to confirm that the customers received the very best resolution to their inquiry or complaint to reach the 90 percent goal. The Postal Service is also making improvements to ensure that duplicate complaints are identified and removed from the database to achieve the 50 percent goal.

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2. In response to CHIR No. 10, question 4(d), the Postal Service states, "No, the CEM survey data cannot provide an accurate national estimate of all retail outlets because, as of October 2013, the Postal Service no longer collects CEM data for Residential and Small Medium Business." Please describe any other CEM survey changes planned for FY 2014.

**RESPONSE:**

The Postal Service's responses to ChIR 12, Q.6(a) and (b) explain the Postal Service's planned changes for measuring the customer experience. Specifically:

[T]he Postal Service is developing a Customer Insights Measurement (CIM) based on customer interactions at various touch points, as well as customer inquiries and complaints regarding postal products, services, and corporate initiatives. The Postal Service is developing systems and processes to measure satisfaction of resolution with a target of 90 percent and to reduce repeat customer complaints by 50 percent by 2017.

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3. Please refer to page 2 of the CEM Non-Responder Study provided in response to CHIR No. 12, question 4(c) (CHIR12.Q4.CEM Non-Responder Study.pdf file). It states that the results of the study "can be used to guide future CEM re-design initiatives, including the pilot of new versions of the CEM surveys as part of the CESA's current Market Research Assessment."

(a) Was the CEM survey redesigned and/or piloted in FY 2013?

(b) The CEM Non-Responder Study filed with the Commission did not include information obtained from large businesses. Please provide any non-response analyses on large businesses or explain why such analyses were not necessary.

**RESPONSE:**

(a) No. As explained in response to ChIR No. 15, Q. 1, the Postal Service worked to redesign the customer satisfaction program and metrics through FY 2013 and intends to implement this approach for FY 2014.

(b) The Postal Service does not have any non-response analyses specific to large businesses, most likely because of the limited sample universe of larger commercial businesses.

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5. Page 53 of the USPS 2013 Annual Report to Congress states that: "Since beginning our optimization review efforts in 2009, we have reviewed over 4,000 facilities, resulting in identification of over 600 buildings earmarked for elimination from inventory." How many buildings earmarked have been sold through the end of FY 2013? (See Noncurrent Assets, Property and equipment, at cost-in millions, Buildings, valued as of September 30, 2012 and September 30, 2013 on the Postal Service Balance Sheet at page 76 of the FY 2013 Report on Form 10-K reporting cost of 24,452 for both fiscal years.)

**RESPONSE:**

Based on the records available, through the end of fiscal year 2013, the Postal Service had sold 69 of these buildings earmarked for elimination as part of the Postal Service's optimization review efforts that began in fiscal year 2009.

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6. In the Postal Service's response to CHIR No. 12, question 6(a) and 6(b) it states: "Additionally, the Postal Service is interested in redesigning the customer satisfaction program. Since 1991, the Postal Service has been conducting a relational customer satisfaction program across both residential and business customers. Results of the program are used to develop service improvement initiatives, track performance over time, develop results indicators for compensation and meet public policy reporting requirements."

(a) How does this "relational customer satisfaction program" substantively differ from the CEM and the CIM in development?

(b) Are the customer satisfaction results from this program similar and/or equivalent to the CEM for residential, small/medium business and large business customers?

**RESPONSE:**

(a) The description provided describes the CEM, which has been in existence in some form since 1991. The CIM program will differ from the CEM program as described in response to ChIR 12, Q. 6, and ChIR 16, Q. 1(a).

(b) The CIM is still in development and piloting to ensure the accuracy of the methodology. As such, the Postal Service is not yet able to compare the CIM results against the CEM results.